GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:609
ANSWERED ON:02.03.2007
INDO US INFRASTRUCTURE DEVELOPMENT PROJECT
Saradgi Shri Iqbal Ahmed

Will the Minister of FINANCE be pleased to state:

(a) whether Indo-US Forum has offered to set up a fund for infrastructure development projects in India;

(b) if so, details thereof;

(c) whether the Government has received any proposal in this regard

(d) if so, the details thereof;

(e) whether the modalities of the funds have been finalised; and

(e) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI P.K. BANSAL)

(a) & (b) Yes Sir, The indo-US CEOs forum had recommended setting up of an Infrastructure Fund of US $ 5 billion.

(c) & (d) Yes Sir, The Citigroup along with IDFC and IIFCL have decided to establish a US $ 5 billion multi asset fund with the initial target of US $ 2 billion.

(e) & (f) Yes Sir, The plan is to deploy about US $ 2 billion in equity capital and US $ 3 billion in long term debt financing with maturities exceeding ten years. The equity financing programme will be managed by IDFC and will invest in greenfield, brownfield and operating infrastructure projects. IDFC, Citigroup and Blackstone will together invest US $ 250 million. The balance is expected to come from reputable international investors as well as selected domestic institutional investors including IIFCL. The debt financing will be channeled through IIFCL in several tranches over the next three years for projects appraised by IDFC and also certain banks/financial intermediaries.